

BUSINESS FACULTY
DEPARTMENT OF ACCOUNTING

**A DETERMINING THE CHALLENGE OF TAX LIABILITY FOR CATEGORIES
“C” TAX PAYER IN THE CASE OF KIRKOS SUB CITY**

BY
MERIMA NASSER
SHEMSIYA SELMAN
YGEREMU NEGASH

JUNE 2014

**A DETERMINING THE CHALLENGE OF TAX LIABILITY FOR CATEGORIES
“C” TAX PAYER IN THE CASE OF KIRKOS SUB CITY**

**A SENIOR ESSAY SUBMITTED
TO THE DEPARTMENT OF ACCOUNTING
BUSINESS FACULTY
ST.MARY’S UNIVERSITY**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF BACHELOR OF ARTS IN
ACCOUNTING**

**BY
MERIMA NASSER
SHEMSIYA SELMAN
YGEREMU NEGA**

JUNE 2014

**A DETERMINING THE CHALLENGE OF TAX LIABILITY FOR CATEGORIES
“C” TAX PAYER IN THE CASE OF KIRKOS SUB CITY**

BY

MERIMA NASSER

SHEMSIYA SELMAN

YGEREMU NEGASH

FACULTY OF BUSINESS

DEPARTMENT OF ACCOUNTING

APPROVED BY THE COMMITTEE OF EXMINERS

Department Head

Signature

Advisor

Signature

Internal Examiner

Signature

External examiner

Signature

ACKNOWLEDGEMENT

We indebted to Ato muez G/selase or his relentless moral and cooperation. And also kirkos subcity officers, for they cooperation by providing all the necessary material. And for friends, librarians and family for their relentless moral and material assistance while we write this paper.

Title	Page
I. Acknowledgement	
II. List of table	
III. Acronyms	
1. Introduction	1
1.1. Background of the study	1
1.2. Statement of the problem	2
1.3. Research question	3
1.4. Objective of the study	3
1.5. Significance of the study	3
1.6. Scope of the study	3
1.7. Research design and methodology	4
1.7.1. Research design	4
1.7.2. Population and sampling technique	4
1.7.3. Types of data to be collections	4
1.7.4. Methods of data collection	4
1.7.5. Data analysis methods	5
1.8. Organization of the study	5

2. Literature review	6
2.1. Tax definition	6
2.2. Nature of taxation	6
2.3. History of Ethiopian taxation	7
2.3.1. During Hileselasssie regime	7
2.3.2 During Derge regime	8
2.3.4. During the Transaction period (1991-1995)	8
2.3.5. During the Federal democratic republic of Ethiopia	9
2.4. Tax evasion and avoidance	9
2.5. Characteristics of taxation	10
2.6. Principle of taxation	15
 3. Data presentation analysis & interpretation	 24
3.1 Data obtained from tax payer & officers of kirkose sub city through Questioner & interview.	24
3.2. Challenges of tax administration	30
3.3. Factors discouraging taxpayer's	31

4.	Summary, Conclusions and Recommendations	32
4.1.	Summary	32
4.2.	Conclusions	33
4.3	Recommendations	34

Reference

Definition of Terms

Appendix

	Page
Table <u>3.1 Demography of Respondents</u>	24
Table <u>3.2 understanding about tax</u>	25
Table <u>3.3 about books of records</u>	25
Table <u>3.4 Awareness about tax policies and procedure</u>	26
Table <u>3.5 fairness of business income tax</u>	26
Table <u>3.6 Problem during tax payment</u>	27
Table <u>3.7 tax penalty</u>	27
Table <u>3.8 Horizontal equity</u>	28
Table <u>3.9 Corruption</u>	28
Table <u>3.10 Period of tax payment</u>	29
Table <u>3.11 about training on tax</u>	29
Table <u>3.12 about tax complain</u>	29
Table <u>3.13 solve the tax complain</u>	30

Acronyms

-VAT - Value added tax

-ERCA- Ethiopian revenue and customs authority

-ECC- Ethiopia chamber of commerce

- **“Taxpayer”**:- shall mean any person subject to under proclamation.
- **“Taxable Income”**:-shall mean the amount of income.
- **“Category C taxpayer”**:-shall mean whose annual turnover is estimated up to birr 100,000. A standard assessment method shall be used to determine the income tax liability.
- **“Tax Authority”**:-shall mean the ERCA Head Office or any of its branch offices establish in any part of Ethiopia and the authorities of the Regional state.
- **“Income”**:-shall mean every sort of economic benefit including nonrecurring gains in cash or in kind, from whatever source derived and in whatever form paid credited or received.

CHAPTER ONE

I.Introduction

1.1 Background of the study

Tax is compulsory payment from a person to the government without expectation of any direct return. Tax is the major sources of government revenue .government needs much amount of revenue to render various economic and social activities to the society .accordingly taxes, Public borrowing, sale of public assets, gifts and donation etc is the source of public revenue from those sources .tax is the only sustainable source of the government revenue. Tax can be direct tax and indirect tax, direct taxes are collection from employee income, Business income, and rent income and other income such as royalties... etc. indirect taxes are Collection from VAT, excise tax and custom duty.

Tax is help as:-

- > To reduce in equalities thorough a policy or redistribution of economy and wealth
- > To ensure economic goals through the ability of the taxation system to effluence the allocation of resource
- > To reduce regional an balance in economic growth
- > To protect local industries from foreign competition through the use of import duties
- > To stabilize national income by using taxation as an instrument of demand management

A Proclamation to provide for the establishment of the Ethiopian revenue and customs authority. PRO.NO. 587/2008 page 4123

The Ethiopian Revenue and Customs Authority (hereinafter the..Authority”) is hereby established as an autonomous federal government agency having its own legal personality .The authority shall be accountable to the Prime Minister.

The authority shall have its head offices in Addis Ababa and may have branch offices, tax centers and customs control stations, as may be necessary.

The authority shall have the following objectives

1. To establish modern revenue assessment and collection system; and provide customers with equitable ,efficient and quality service ;
2. The cause taxpayers voluntarily discharge their obligations;
3. To enforce tax and customs laws by preventing and controlling contraband as well as tax fraud and evasion;
4. To collect timely and effectively tax revenues generated by the economy
5. To provide the necessary support to regions with a view to harmonizing federal and regional tax administration systems.

1.2 Statements of the problem

To collect taxes from different taxes, ERCA classifies all the tax payers in to three categories .Category” A”, category “B and category “C”

Category A is any company having annual turnover of birr 500,000 or more

Category B unless already classified in category A any business having annual turnover of birr 100,000

The tax authority as being up to 100,000 unless already classified in category A & B, whose annual turnover estimate category C. Then, most retailers are categories under category C and should not maintain books of account .so; their tax is calculated based on standard assessment. This paper tries to examine and verify some specific problems. Such as

- > The estimator does not have any type of recorded data to estimate the tax due to that tax payers are faced a problem in determining their tax liability.
- > The tax collector organization has not a common estimation method of tax liability.

1.3 Research question

- > How the sub city has competed employees, when collect taxes?
- > Is that tax assessment identified by type of business?
- > Is that tax assessment system standards?
- > Is the tax payer having awareness about tax rules and regulation? How?

1.4 Objective of the statement

The general objective of the study is to investigate the challenges of tax assessment system for category “C” tax payer, especially for retailers.

The specific objective are

- > To investigate the challenges of determine the tax liability for retailers.
- > To identify problem which arising during the tax assessment.
- > To investigate the means of the problem arising during the assessment.
- > To provide some solution for the problems.

1.5 Significance of the study

The purpose of this paper is to identify the problem of assessment method (collectors & payers). Information's will be gathered from both sides, we tried to shed light on the nature of the problem by creating a clear understanding for the readers about the problem. Finally, we tried to give some comment s and suggestion about it.

1.6 Scope of the study

According ERCA there are three categories or for tax payers which are level A ,B and C but this study conducted on the level C categories of tax payers Kirkose sub scity

1.7 Research Design and Methodology

1.7.1 Research Design

This study focused on a descriptive type by its nature because it would grant the possible solution for problem and it also helps the researchers to come across the facts associated with current situations as well as to designate the area of tax liability for retailers' practice that needs improvement. And the study conducted as a survey method by using both Qualitative and Quantitative data.

1.7.2 Population Sample Size and Sampling Techniques

There are 11 weredas in kirkos subcity which are considered as population in this study from those we use 5 weredas and 50 retailers and 20 employees as a target population and 25 retailers and 10 employees use as sample, for the sake of sampling technique. We apply simple random method.

1.7.3 Types of Data to be collection

In this paper the researcher utilized both primary and secondary sources of data. Primary data collected through questionnaire and interview on the other hand secondary data gathers from published; unpublished material and internet sources where used.

1.7.4 Method of Data collection

To collect the data we use various mechanisms based on the character of the data. For primary data the researchers we apply observations to get the actual reactions and response of employees for their work environment, questioner (both close and open ended types) for the sake of quantitative data and interviews to acquire the in depth data

from Managers who are highly associated to the study topic. We gather the secondary data by using document analysis.

1.7.5 Data analysis Method

To analyses, the data which collected from qualitatively has presented statement techniques and we apply tabulations, percentage for quantitative data's, which help to demonstrate the numerical outcome of the study.

1.8 Organization of the study

The study has organized in to four chapters. The first chapter deals with the problem and its approach. The second chapter concerned with presenting the review of the related Literature. The third chapter treats the analysis of the data collected. And finally, the fourth Chapter has bring to an end, this study with conclusion and recommendation

CHAPTER TWO

LITRATURE REVIEW

2.1 Definition of tax

Tax is the largest single source of government revenues in most developing countries. The revenues generated pay for a substantial part of government operations and services of the public taxes are important source of public revenue. The existence of collective consumption of goods and services necessitates putting some of our income into government hands such public goods like roads, power, municipal services, and other public infrastructure, industries and the general public. Public goods are normally supplied by public agencies due to their natures of non- rivalry and non-excludability. The nature of consumption of public goods is such that consumption by one does not reduce consumption for others. Besides, consumption of public good by an agent does not exclude other from doing some such nature of public goods therefore makes them impossible for private suppliers to avail them at market price like other commodities. Government intervention in the supply of public goods is therefore inevitable and can only be done if the public pays taxes for the production and supply of such goods.

“Ministry of finance and economic development, Addis Ababa 1996 ABC of taxes in Ethiopia (1942-1996)”

2.2 Nature of Taxation

Taxation is system of raising money to finance government expenditures. All governments require payments of money taxes from people. Governments use tax revenues to pay soldiers and police, to build dams and roads, to operate schools and hospitals, to provide food to the poor and medical care to the elderly, and for hundreds of other purposes without taxes to fund its activities, a government would cease to exist.

2.3 History of Ethiopian Taxation

History tells us Ethiopians tax system dates back to ancient times. For example, in the Axumite kingdom there was a practice at traditional taxation.

The traditional taxation provides for taxes on crops, livestock and livestock products such as wool, butter and milk. The tax on wool was particularly levied on mountainous areas of the country. Hunting taxes were imposed, especially, on elephant hunters in the form of ivory taxes. Handicraftsmen were subjected to a sort of production taxes. Thus one can infer from the above points that taxation in traditional Ethiopia had been excessively burdensome and arbitrary.

In Zeray Jacob's chronicle it is stated that there was taxation at ancient times however it was during Zeray Jacob's time that the first tax system was introduced. The tax system was set for those people engaged in livestock production.

“Tax system manual by Addis Chamber of Commerce and Industry Professionals, 2004”

The first important reform carried out by Emperor Menelik II toward the end of the 19th century resulted in the establishment of a fixed tithe rather than the undefined and essentially arbitrary system of agriculture taxes. (Mekonnen Habte April 1994)

Discussing all taxes in the Ethiopia history is not the scope of this paper, yet it is categorized into four periods during Haile Selassie's regime, the Derg and transitional government of Ethiopia and the federal democratic republic of Ethiopia (current).

2.3.1 Taxes during Haile Selassie's regime (1942-1974)

The most important feature of the traditional taxation system continues during the relatively modern administration of Emperor Haile Selassie. The elements of the tax system of this era comprise personal income tax, business income tax, agriculture income tax,

land tax, health tax, road tax, salt tax, tobacco Reggie tax, the tithe, alcohol tax, cattle tax, stamp duties and custom duties.

Declaration of income

The employer should declare income from employment. Any person who was employed by more than one employer in the same month was obliged to declare himself the total amount of this income from employment during said month, irrespective of declaration made by employers.

A business having more than one office was declared its income to the income tax authority of the district in which its head office had been located.

2.3.2 Taxes during the derge regime(1975-1991)

The political upheavals of 1975 brought about the abolition of the feudal land tenure system and the revoke of land taxes and the tithe. The health and education taxes were also canceled and the remaining types of taxes were extensively amended and restricted by the of derg and used until the transitional government of Ethiopia amends a new taxation structure. During this period there was an increase in the coverage of tax bases and tax rates owing to the need to raise more revenue to support the government.

The income tax proclamation during this period was mainly amendments of the income tax proclamation No 173/1961 and proclamation No 255/1967. Proclamation No 77/1976 and proclamation No 152/1978 were aimed at changing the income tax structure levied on agricultural activity.

2.3.3 Taxes during the transitional government of Ethiopia (1991-1995)

To implement the right of nations, nationalities and people to administer their affair, the transitional government of Ethiopia issued proclamation No 7/1992, providing for the establishment of regional government. According, regional government have legislative,

executive and judicial powers in respect of all matter within their geographical areas except such matter as defense, foreign affairs, and economic policy. Conferring of citizenship, declaration of state of emergency and printing of currency. They also have powers and duties to borrow money from domestic sources and levy duties and taxes. Therefore taxes during his period were designed in the light of fiscal federalism in order to stimulate economic growth to overcome vertical and horizontal fiscal imbalance economic inefficiencies, inequity and all distortions in the economic orientation.

2.3.4 Taxes during the federal democratic republic of Ethiopia (current)

According to the new constitution of Ethiopia. Adopted in Nov.1994, the federal democratic republic of Ethiopia could comprise a federal state and member state in which both organs shall have their respective legislative, executive and judiciary powers.

Federal and regional governments all collect taxes. The sharing of revenue between the central government and the national regional government was set with proclamation No 33/1992

The constitution of Ethiopia furnished in 1995 gave power to federal and regional government to levy and collect taxes from the sources allocated to them. A number of changes have been made in the policy of the country pursuant to the structural changes. The following are the most relevant changes that are incorporated in tax laws.

- > Reduction in the rate of business income tax from 40% to 30%
- > Equalization of tax rate at 35% for both small scale and large-scale mining activity.(*Gebre worku,2006*)

2.4 Tax evasion and avoidance

It is necessary to distinguish three terms in relationship to enforcement tax avoidance, and tax evasion, and delinquency. Tax evasion involves a fraudulent or deceitful effort by a tax payer to escape a legal tax obligation. This is a direct violation of tax law. In simple

terms it is illegal manipulations to reduce tax. Accountants sometimes refer to avoidance as “tax planning” or “tax mitigation” which emphasizes its legality.

Tax avoidance, in contrast, does not violate the latter of law. It occurs when a tax payer arranges his/her economic behavior in such a manner as to maximize his/her post tax economic position, that to minimize the advantage use of existing tax law provisions and, in the long run by influencing tax legislation through the support of lobbies and pressure groups which represent the special interests of the tax payers. Tax avoidance is lawful, while tax evasion is not.

Common ways of tax evasion

1. Keeping three sets of books:- to record business transaction one record portraying the actual business result(for the owner), the second inflated performance to pretend in good credit worthiness (for creditors) position and the final for tax authority understated figures for low taxes.

2. Moon light for cash of source, there is nothing illegal in working extra job. Rather than by check. Hence, there is no legal record and the income is not reported to the tax authorities.

3. Barter: this is an arrangement whereby you receive payment in kind instead of money. This is legally a taxable transaction; however such income is seldom reported.

4. deal in cash, paying for goods and service with cash and checks made out to cash makes it very difficult for the tax authority to trace transaction.

2.5 General characteristic of tax

a good tax system has the following characteristic

-Tax is a compulsory contribution: tax is compulsory contribution by the tax payer to the government .the people whom the tax is levied cannot refuse to pay the tax. Once it is levied they have to pay it. Any refusal in this regard leads to punishment.

-Benefit is not the basic condition: for the payment of tax, there is no direct return or quid proquo to the tax payers. That is, people cannot expect any return in benefit for the amount of tax paid by them. Because, there is no relation between the amounts of tax paid by the people and services rendered by the government to the tax payers.

-Personal obligation: tax imposes a personal obligation on the tax payers, when a person becomes liable to pay the tax, it is the duty of him to pay it and in no way he can escape from it.

-Common interest: the amount of tax received from the people is used for the general and common benefit of the people as a whole. Now the government has to render enormous range of social activities, which incur heavy expenditure. A part of the expense is sought to be raised through taxation by various types. Thus taxes are said to be the sharing of common burden by the people.

-Legal collection: tax is the legal collection. It can be levied only by the government both central and state.

-Elements of sacrifices: since the tax is paid without any return in benefit, it can be said that there is the prevalence of sacrifices in the payment of tax.

-Regular and periodical payment: the payment by tax is regular and periodical in nature. It is levied for fixed period usually a year. Thus, almost all the taxes are annual taxes. The payment of taxes should be regular also.

-No discrimination: tax is levied on all people without any discrimination of caste, creed etc. but according to their ability to pay.

-Wide scope: tax is levied not only on income but also on property and commodities. To enhance the revenue and to bring all the people under the taxes net, the government imposes various kinds of taxes. This enhances the scope of taxes.(Gebrie werku,2006)

Objectives of taxation

Government levies and collects taxes for various objectives. These objectives may be specific or general

Specific objective

The specific purposes of levying taxes are:

- To support the operation of that government itself
- To influence the macro economic performance of the economy, the government's strategy for doing this is called its fiscal policy.
- To carry out the function of the government such as national defense and [providing government services.
- To redistribute resource between individual or in the population. Historically the nobility were supported by taxes on the poor modern social security systems and intended to support the poor by taxes on taxes on the rich.
- To modify patterns of consumption within economy by making some classes at transaction more or less attractive.

The general objectives of taxation are:

1. Raising revenue

The basic purpose of taxation is raising revenue. To render various economic and social activities, government requires large amount of revenue. To meet this enormous expenditure, government imposes various types of taxes in addition to the non-tax revenue.

2. Removal of inequalities in income and wealth

The welfare states aims at the removal of inequalities in income and wealth. By framing suitable tax policy, this end can be achieved. It is stressed in the canon of equality. In Ethiopia, the progressive taxation on income and wealth and heavier excise and customs duties, and taxes on luxurious goods are the the suitable examples in this regard.

3. Ensuring economic stability

Taxation affects the general level of consumption and production. Hence it can be used as an effective tool for achieving economic stability. That is, by means of taxation the effects of trade cycle i.e, inflation and deflation can be controlled. During the period of boom or inflation, the excess purchasing power in the hands of people leads to rise in the price level. Raising the existing tax rates or imposing additional taxes can remove such excess purchasing power. Then the abnormal demand will be reduced and the economic stability can be achieved. At the same time, by providing grants, tax exceptions and concessions, production can be encouraged there by inflation is controlled.

4. Reduction in regional imbalances

It is normal that certain parts of the country are well developed, where as some other parts or states are in backward conditions. To remove those regional imbalances, the government can use tax measures. By way of announcing various tax exemption and concessions to that particular backward regions or states, the economic activities in those areas can be induced and accelerated.

5. Capital accumulation

Tax concession or rebates given for saving or investment in provident fund, life insurance, chapter trusts, housing banks, post offices, banks, investment in shares and debentures of certain companies etc lead to large amount of capital accumulation which is essential for the promotion of industrial development.

6. Creation of employment opportunities

More employment opportunities can be created by giving tax concessions or exceptions to small entrepreneurs and to the industries adopting labor intensive techniques. In this way, unemployment problem can be solved to certain extent.

7. Preventing harmful consumption

Taxation can be used to prevent harmful consumption, by way imposing heavy excise duties on the commodities like liquors, cigarettes, etc; the consumption of such articles is reduced to a considerable extent.

8. Beneficial diversion of resources

The imposition of heavy duties on non-essential and luxury goods discourages the producer of such goods. The resource utilized for the production of these goods may be diverted into the production of other essential goods for which various tax concessions are given. This is called as beneficiary diversion.

9. Encouragement of exports

Now a day's export oriented industries are encouraged by way of providing various exemptions like 100% relief from income tax, free trade zones etc, it results in the large earning of foreign exchange.

10. Enhancement of standard of living

By way of giving various tax concessions to certain essential goods, the government enhances the standard of living of people. (Gebrie werku, 2006)

Tax revenue

The revenue from tax includes the following

1. Tax on income: the government imposes two types of taxes on income. They are:
 - a. Tax on personal income and
 - b. Tax on corporation profits

The personal income tax is levied on the net income of individuals, firm and other association of persons. The tax on the net profits of the joint stock companies is known as corporation tax.

2. Taxes on property

It is the tax revenue from properties including rental income tax, land use tax etc.

3. Taxes on commodities

The important taxes levied by the government on commodities are

- a. Customs duty
- b. Excise duty
- c. Value added tax
- d. Turnover tax

Customs duties includes both import and export duties. These duties are levied when the goods cross the boundaries of the country. Excise duties are levied on the commodities produced in the country. Excise duties now constitute the single largest source of revenue to the union government. Value added tax is levied by the government on the commodities sold at a specified percentage on the value of sales.

Turnover tax is levied by the government on the sales which are not covered under vat.

(getachew w/mariam Nov, 2006)

2.6 principles (canons) of taxation

The government requires fund for the performance of its various functions. These funds are raised through tax and non-tax sources of revenue tax on income, property and commodities etc raises tax revenues. In fact, tax is the major source of revenue to the government; according to Adam Smith “a tax is a contribution from citizens for the support of the government.”

No one likes taxes, but they are a necessary evil in any civilized society. Whether we believe in big government, governments must have some resources in order to perform their essential services. So how does one go about evaluating a particular tax?

Taxation is an important instrument for the development of economy of the country. A good tax system ensures maximum social advantage without any hardship on tax payers. While farming the tax policy, the government should consider not only its financial needs but also taxable capacity of the community. Besides the above, government has to consider some other principles like equality, simplicity, convenience etc. these principles are called as principles (canons) of taxation. The following are the important canons of taxation.

I. Canons advocated by Adam smith

1. Canon of equity
2. Canon of certainty
3. Canon of convenience
4. Canon of economy

II. Canons advocated by others

5. Canon of productivity
6. Canon of elasticity
7. Canon of diversity
8. Canon of simplicity
9. Canon of expediency
10. Canon of co-ordination
11. Canon of neutrality

1. Canons advocated by Adam smith

No one has yet come up with a better set of criteria for judging a tax than the canons of taxation first proposed by “Adam smith” more than two hundred years ago. Adam smith in his book, “wealth of nations” has explained the four canons of taxation that are mentioned above. All accepts them as good taxation policy.

1. Canons of equality: - According to this principle of Adam smith, “the subject of every state ought to contribute toward the support of the government, as nearly as possible in proportion to their abilities” i.e. all people should bear the public expenditure in proportion to their respective abilities. Tax burden should be more on the rich than on the poor. Since the rich people can pay more for public welfare, more tax should collect from richer section and less tax from the poor. The ability to pay may be determined either on the basis of income and wealth or on the basis of consumption i.e. luxury or necessity. In simple terms, Canon of equality implies that when ability to pay is taken into consideration, a good tax should distribute the burden of supporting government more or less equally among all those who benefit from government.

2. **Canon of certainty:** - Another important Canon of taxation advocated by Adam Smith is certainty. According to him, “the tax which each individual is bound to pay ought to be certain and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, should be clear and plain to the contributor and every other person”. It means the time; amount and method of payment should all be clear and certain so that the tax payer can adjust his income and expenditures accordingly. This principle removes all uncertainty in the payment of tax and ensures smooth functioning of the tax department.
3. **Canon of convenience:** - In the Canon of convenience, Adam Smith states that, “every tax ought to be levied at the time or in the manner in which it is most likely to be convenient for the contributor to pay it”. This is the tax should be levied and collected in such a way that is convenient to tax payer. For example it may be in installments, land revenue may be collected at the time of harvest etc. this principle reduces the tendency of tax evasion considerably. It includes the selection of suitable objects for taxation, and also the choice of convenient periods for requiring payment. The canon of convenience is a special form of the general principle that the public power should as far as possible adjust its proceedings to the habits of the community and avoid any efforts at directing the conduct of the citizens in order to facilitate its own operations. The sacrifices that inconvenient methods of fiscal administration impose may indeed be treated as violations of both economy and equity.
4. **Canon of economy:** - The next important canon of taxation is economy. According to Adam Smith, “every tax ought to be so contrived as both to take out and keep out of the pockets of the people as the little as possible over and above what it brings in to public treasury of the state”. These principles state that the minimum possible amount should be spent on tax collection and the maximum part of the collection should be brought to the government treasury.

Taxation should be economical:- i.e. This should be much more than mere saving in the cost of collection. Undue outlay on the official machinery of levy is but one part of the loss that taxation may inflict. It is a far greater evil to hinder the normal growth of industry and commerce, and therefore to check the growth of the fund from which

future taxation is to come. Thus the canon of “Economy” is naturally sub-divided in to two parts. These are:

1. Taxation should be inexpensive in collection and
2. Taxation should hold up as little as possible the growth of wealth

It may also be remarked that there is a close connection between “Economy” and “Productivity” since the former aids in securing the latter.

2. Canons advocated by others

Other researches of taxation at other times have added to Adam Smith’s criteria. Some have noted that a tax should be adequate, meaning it should produce sufficient revenue to support whatever it is that citizens want their government to do. Some have argued for a “Benefit principle” where by the amount of tax each taxpayer receives from government.

Other have argued that a tax should be neutral in its effect on the way market work.

But smith’s canons are the starting point for any serious evaluation of a tax. The various canons added by others are explained below

5. Canon of productivity: - According to C.F Bastable, the tax system should be productive enough i.e. it should ensure sufficient revenue to the government and it should encourage productive activity by encouraging the people to work, save and invest.

6. Canon of elasticity: - The next principle advocated by Bastable is Elasticity. The taxes should be flexible. It should be levied in such a way to increase or decrease the tax revenue depending up on the need. For example, during certain unforeseen situations like flood, war, famine and drought etc. the government needs more amount of revenue. If the tax system is elastic in nature, and then the government can raise adequate funds without any extra cost of collection.

The taxes system should be elastic is a desirable canon of taxation. It may indeed be regarded as the agency for realizing at once “productivity” and “economy” where the public revenue does not admit of easy expansion or reduction according to the growth or decline of expenditure, there are sure to be financial troubles. For this purpose some important taxes will have to be levied at varying rates. The particular tax chosen will vary

according to circumstances, but the general principle at flexibility should be recognized and adopted.

7 Canon of expediency.- According to this principle, a tax should be levied after considering all favorable and unfavorable factors from different angles such as economical corruption.

8. Canon of simplicity: - This principle state the tax system should be simple, easy and understandable to the common man. If the tax system is complex and vague, the tax payer cannot estimate his tax liability and it will cause irregularities in the payments and leads to corruption.

9. Canon of diversity:-According to this principle, there should be diversity in the tax system of the country. The burden of the tax should be distributed widely on the entire people of the country. The burden of the tax should be decentralized so that everyone should pay according to his ability. To achieve the government should impose both direct and indirect taxes or various types. It should not depend up on one or two types of tax alone.

10. Canon of co-ordination:-in a federal set up like Ethiopia, federal and stated government levy taxes. So, there should be a proper co-ordination between different taxes imposed by various authorities.

Otherwise, it will affect the people adversely.

11. Canon of neutrality:-This principle stresses that the tax system should not have any adverse effect. That is, it shouldn't create any deflationary or inflationary effects in economy.

Applying smith's canons to any particular tax is largely a subjective undertaking. Yet, if one attempts to evaluate the principal taxes i.e property tax, income tax and sales tax -against smith's canons one will quickly find that there is no such thing as a perfect tax. The property tax, for instance, scores fairly low on convenience and efficiency, but fairly high on certainty. The income tax scores fairly high on equality, but is costly to administer and is so.(Misrak Tesfaye, 2008)

Standard Assessment

Standard assessment assign lump-sum taxes to tax payers on the basis of occupation or business activity. Standard assessments have shown to broaden the tax base with limited disincentive. Although this method is viewed as less equitable than estimated assessments. It is also open to corruption (although estimated assessments are employed as an alternative to standard assessments when tax payer don't file or an audited) It is important to understand that standard assessments can be a poor revenue mobilizing method of taxation unless the fixed payments are indexed to inflation (or increased regularly) and tax payers are moved to categories as their taxable incomes increase overtime. Furthermore, standard assessments do not take in to account taxpayer specific conditions, such as family size or losses in a particular year. As a result it can be regressive by imposing equal tax on individuals in the same category with different incomes. (Taddese Lencho, 2010)

Estimated Assessment

In this assessment method each tax payers income is individually estimated based indicators or proxies of wealth specific to a given profession or economic activity. The key indicators can range from location of property to numbers of skilled employees to seating capacity. France's forfait and Israel's tahshiv both utilized estimated assessments and are recognized as among the most highly developed presumptive tax regimes of their time .Israel's tahshiv method employed objective factors to estimates the income of tax payers unable to keep records. The tahshiv for each sector was prepared, often over several years, after extensive research and many visits to a sample of businesses. The average profitability of a particular sector and its relationship to specific factors and indexes were discussed with representatives of the sector before the official tahshiv was issued. Examples of indicators employed included number of employees, location, seating capacity (for restaurants, cafes, etc) skill level of workers (for truck and taxi driver) and water consumption (for ice-producing companies and the like). (Taddese Lencho, 2010)

Assessment of Retail Business

For the assessment year 1997-1998 and subsequent years, special scheme, has been enacted for computing taxable profits of retail business the special features of the scheme are discussed below:

Applicability: The scheme is applicable to all types of assesses □. Individual Firm □ □□. Association of persons or body of individuals. □□. Companies' □. Co-operative society □ □. Local authority and □□□. Any other artificial juridical person.

The assesses may be resident or non-resident.

Conditions of an assesses can take advantage of the scheme if two conditions are satisfied.

I. Retail Trading: The assesses is engaged in retail trade. Thus the scheme does not apply to an assesses who is engaged in whole sale trade. The expression retail trade has not been defined in the act, retail trade is a link trade buying and selling goods, without doing anything further, where an assesses buy goods, processes them and then sells them, it can involve thus the scheme does not cover a dry-cleaner, tailor, cobbler, photographer, etc. retail trade may be in any goods or merchandise every type of goods like consumer goods, manufactured goods, semi-manufactured goods, are covered, Thus, retail trade may be in fruits, vegetables, good grains, pulses, sugar, butter/ghee, ready food packets, confectionery, books, periodicals, stationery, medicines, drugs, timber, iron, garments, electronic equipments, sport goods etc.

The expression merchandise refers to goods which are generally bought and sold by the merchants. It generally refers to provisions which are generally purchased and sold on day-to-day basis for immediate consumption. Retail trade may be carried on anywhere. It may be in Ethiopia or outside Ethiopia. If the profits of the foreign retail trade are assessable in Ethiopia, computation would be done in accordance with the new scheme.

Computation of Income

Normally taxable business profits are computed by allowing permissible deduction from the gross business receipts. However, under the estimated income scheme for the retail trade, the normal procedure has been given a good-bye.

5% of the total turnover of the retail trade in the previous year will be deemed to be taxable profits of such business sale of unusable, empties and packages may form part of the turnover having regard to the composite charge for the supply. Discount received purchases would not form part at the turnover. It will reduce the cost of the goods purchased. Discount allowed on sales would reduce the amount of turnover. Closing stock cannot form part of the turnover.

The assesses cannot claim any deduction from such deemed business profits. All deductions including depreciation will be deemed to have been allowed. The written down value of any asset used for the purpose of the business is deemed to have been calculated as it the assesses has claimed and has been actually allowed the deduction in respect of depreciation for each of the relevant assessment year.

Where the assesses is a firm, it is entitled to claim the deduction in respect of salary and interest form deemed income.

Any income, other than form retail trade, will be computed in accordance with the provisions applicable to it and the provision of computing total income will equally apply. Thus provision of aggregation, set off and carry forward of losses, deduction in computing total income, rebate in case of individual will apply in the normal manner.

Maintenance of Account

The assesses is neither required to maintain books of account nor required to get his account audited in respect of such business. However, the requirements of compulsory maintenance of accounts and compulsory audit in respect of any other business not covered under the scheme, will apply. For calculating the ceiling for the purposes of compulsory maintenance of accounts or compulsory audit of account in respect of other business, the gross receipts from the retail trade are to be excluded.

System of Rebuttal

An assesses has the option to declare higher income in his return from such business. Where he declares his income more than 5% of the turnover, such higher amount is deemed to be his total income.

An assesses has no option to declare his income at a figure lower than a deemed income.

Tax Administration in Ethiopia

The constitution of federal democratic republic of Ethiopia states that the federal government and the state all collect taxes and shall share revenue taking the federal arrangement in to account. The sharing of revenue between the central government and the national/regional government has the following objectives:

- **Enable the central government and the national or regional governments, efficiency to carry out their respective duties and responsibilities.**
- **Assist national or regional governments**
- **To develops their regions on their own initiatives.**
- **Narrow the existing gap development and economic growth between regions.**
- **Encourage activities that have common interest to regions.**

CHAPTER THREE

Data presentation analysis & interpretation

3.1 Data obtained from tax payer & officers of kirkose sub city through questioner & interview.

The researchers designed and distributed 25 questioners for tax payers & interview questions for tax officers of kirkos subcity administration.

From 25 distributed questionnaires 100% of questionnaires are returned the main objective of this study is to assess the business income tax administration practice in light of equity & collection of business income tax in the case of category “C” tax payers in kirkose subcity administration.

Data from primary sources

Background of respondents

Table 3.1 Demography of Respondents

No	Item	Frequency	Percentage
1.	Sex		
	Male	16	64
	Female	9	36
	Total	25	100%
2.	Age		
	25-35	15	60
	36-45	7	28
	46-55	1	4
	Above	2	8
	Total	25	100%
3.	Education		
	Master	0	0
	Degree	7	28
	Diploma	5	20

	High school	10	40
	Below	3	12
	Total	25	100%

Source: - primary data

As table 3.1. reveals 64% (16) of tax payers are male respondent and the rest 36% are female: so that major of respondent are male on the other hand, 40% (10) tax payers educational level are in high school level, because of this they even not understand and why they pay their tax liability as well as how the government impose the tax form their income.

Table 3.2 understanding about tax

No	Description	Item	Frequency	Percentage
4	What do you understand about taxation?	Useful	4	16
		Debt	5	20
		Obligation	12	48
		Useful & obligation	4	16
		Total	25	100%

Source primary data

From the above table data 3.2 disclose that 48% (12) of the tax payers understand taxation as obligation, on the other hand 20% (5) of tax payer understand tax as debt, form this we understand, most of tax payers understand taxation as their obligation to them.

Table 3.3 about books of records

No	Description	Item	Frequency	Percentage
5	Do you have books of records for your business?	Yes	9	36
		No	16	64
		Total	25	100%

Source primary data

As show in the above table 64% (16) of tax payers have no books of records & the rest 36% (9) of tax payers have books of records. So we can say that most of the tax payers no books of records.

Table 3.4 Awareness about tax policies and procedure

No	Description	Item	Frequency	Percentage
6	Do you have any awareness about tax policies & procedure?	Yes	8	25
		No	1	4
		To some extent	16	64
		Total	25	100%

Source primary data

As table 3.4 according to respondent 64% (16) of the tax payers have litter know edge about awareness of taxation, 32%(8) of them have good understanding and the rest 4% (1) have no awareness about the tax policies and procedures. Because of most respondents have little knowledge this creates an obstacle for the policies and procedure, as well as tax collection.

Table 3.5 fairness of business in come tax

No	Description	Item	Frequency	Percentage
7	Do you think that the tux assessment is fair?	Yes	6	24
		No	19	76
		Total	25	100%

Source primary data

As table 3.5 reveals more respondents 76% (19) replies the tax assessment levied to the pagers is not fair and 24% (6) of them say that the tax assessment is fair this shows that the majority of respondents agree that the assessment is not fair. This is due to, they collect more than own sales, the estimator they doesn't know

market environment and estimation, it is not compatible with the reality of the country tax assessors relationship with tax payers like corruption cases

Table 3.6 Problem during tax payment

No	Description	Item	Frequency	Percentage
8	Do you face any problem of change during tax payment	Yes	17	68
		No	8	32
		Total	25	100%

Source primary data

According to respondents 68% (17) of tax payers are faced problem during tax payment & the other 32% (8) of the tax payers have no get problem during the tax payment so that most of tax payers respondent faced problem during the tax payment.

Table 3.7 tax penalty

No	Description	Item	Frequency	Percentage
9	Hare you ever been faced tax penalty?	Yes	5	20
		No	20	80
		Total	25	100%

Source: - primary data

As shown in the above table 80% (20) of the tax payers are not faced tax penalty and the rest 20% (5) are faced tax penalty. So we can say that most of the tax payers pay tax on the scheduled time.

No	Description	Item	Frequency	Percentage
10	Do you be live tax payers who have similar ability or income pay similar tax?	Yes	11	44
		No	14	56
		Total	25	100%

Source: - primary data

As shown in the above table 56% (14) of the tax payers believe that tax payers who have similar income tax payers have not pay equal tax, 44% (11) of them are agree that equal ability tax payers have pay equal tax so most of our respondents believes that tax payers who have similar ability of income are not pay equal amount of tax are:- relationship between tax payers and tax assessors like corruption cases, understatement of their inventory stock tax assessors attitude do tax payers is small and lack of knowledge, tax evasion, insufficient evidence the daily sales estimation is imbalance.

Table 3.9 Corruption

No	Description	Item	Frequency	Percentage
11	Does the tax assessor made corruption to estimate the daily sales of the tax payers?	Yes	8	32
		No	14	56
		Unable to response	3	12
		Total	25	100%

Source primary data

As shown in the above table the tax assessors can have unexpected relationship among tax payers when they estimated daily sales, 56% (14) of the tax payers are not accept this & 32% (8) of the tax payers accept that & the rest 12% (3) of them are none of the two. This is due to, they hide the troth by receiving some many and others, and the estimation is by dealing with the business man.

No	Description	Item	Frequency	Percentage
12	It the time given for payment of tax adequate?	Yes	21	84
		No	4	16
		Total	25	100%

Source: - Primary data

As we can see from the above table 84% (21) of tax payers believe that the time given for the tax payment is adequate 16% (4) of the tax payers respond not adequate.

Table 3.11 about training on tax

No	Description	Item	Frequency	Percentage
13	Does the sub city provide the training on tax?	Yes	4	16
		No	21	84
		Total	25	100%

Source primary data

For the above table shows 84% (21) of the respondents say the sub city not provides training where as 16% (4) of them say the sub city provides the training.

Table 3.12 about tax complain

No	Description	Item	Frequency	Percentage
14	Does the sub city accept or receive customer tax complain?	Yes	14	56
		No	11	44
		Total	25	100%

Source: - Primary data

Based on the above table 56% (14) of the respondent agree that the sub city receive customer tax complain 44% (11) the respondent didn't agree with them.

Table 3.13 solve the tax complain

No	Description	Item	Frequency	Percentage
15	How to they solve the tax complain?	Urgent	1	4
		Slow	12	48
		Lately	11	44
		Unable to response	1	4
		Total	25	100%

Source primary data

For the above question 48% (12) of the respondent believe that the sub city some the tax complain slowly 44% (11) lately 4% (1) urgent the remaining of 4% (1) of the respondents unable to responded this question.

PART TWO

3.2 Challenges of tax administration

There are challenges for the tax administration in related with estimated taxation including the following

- The nature of the business creates some problem during the assessment they do not use any legal document because of bulky transaction occurs there sales is not know or not recorded properly. Thus the tax payers.
- Most retailers have known how about the system which tax authority used currently to levy tax for small business. They use different techniques to understate their daily income or daily sales for instance.
 - They conceal good from the shelf and keep it for away until inspectors come and estimate it
 - During the estimation they have information about which expense should be increased increasing or decrease ng expenses are the

most factors in the determination of daily sales (expenses including personal and operating expenses)

- o Some tax payers try to corrupt the inspectors to under state their daily sales.**
- Identifying and registering small tax payers by using efficiency critical good system as the effort and resources needed to manage may be huge and utilize chess checking or records with other agencies.**

3.3 Factors discouraging tax payers

Most tax payers are not satisfies by the system which the fax authority is used to levy tax or to asses the small businesses we tried to communicate same retailers engaged indifferent business including spare parts, small shops, stationeries, laundries and the like. They share the same idea and their complains are almost the some. Especially most retailers are complains about the “inspectors”. Most inspectors do not have any marketing knowledge and do not consider different factors like the location of the business - location refers that which type of business is profitable in that area. They only obsence the goods or items exist in the shelf if goods are full of shelf they think that the shop is in good condition and may over state the daily sales.

The inspectors do not accept or believe what the tax payers are told because they think that all business owners are trying to cheat them. So they are not willing to hear what the business owners told and they fill the form as they went. This creates an over statement of daily sales for the tax payers. Sometimes inspectors may have bad relation ship with tax payers and may over state the daily sales easily. How ever it is a are case. The other problems are when they go to the tax authority at the end of the budget year to pay their tax liability they are not served properly. The number of tax payers and the capacity of the tax authority are net balanced.

CHAPTER FOUR

Summary, Conclusions and Recommendations

4.1 Summary

The data collected from respondents is analyzed & interpreted using description analysis method through tabulation & percentage method so from this study we come up with the following main point.

- > Majority as tax payers respondents are under 12th grade qualification (40%).
- > Most of tax payers understand tax as their obligation & useful to them (48%&16%).
- > This staff indicates that tax payers have some understanding about tax policies & procedures (68%)
- > Majority of tax payers have no books of records (64%).
- > According to our study, regarding the fairness of business income tax in category “C” tax payers levied is not fair (76%). This is due to high estimation of daily sales; high tax rate imposed by the government the tax levied is excluding current inflation, corruption, and the tax is not considering loss of the business.
- > The study reveals that most of the tax payers have faced problem during the tax payment (68%) and most of them also not faced tax penalty (80%).
- > The finding shows the majority off the respondent of tax payers agree that there is corruption among tax payers & tax officers (32%).
- > Majority of tax payers is believed that tax payers who have equal income have not paid similar tax (56%).
- > Most tax payers accept that the time given to pay annual business income tax is not adequate (16%).
- > The finding shows, the majority of the respondent of tax payers agree that does not get training about taxation (84%).
- > Majority of tax payer is believe that tax officers or tax administration solve the tax complains is slow (48%).

4.2 Conclusions

The primary goal of the government using this estimated taxation is to assess the tax liabilities for those “Hard-to-tax” groups or for those whose business income is difficult to determine the exact amount. There is an implementation problem in the tax authority. Its capacity to implement the tax system is very weak. The tax authority itself has some challenging problems from internal and external. So, it should give an emphasis and give a special attention for the implementation. If this performs it can achieve its objective.

- > Many employees are not skilled persons especially in an area which requires a profession like auditor, sometimes the tax administration promote the employees without any educational supporting document, and only considers the duration period of employees. It creates an impact on the implementation of the system.
- > The tax authority has provided a training opportunity at least quarterly or semi annually.
- > Most inspectors who estimate the daily sales of an individual retail business do not have a marketing knowledge.
- > Attitude of tax payers is an important factor in good tax system.
The attitudes of the taxpayers are influenced by some factors such as educational level, political, social and economic situation of the country. For instance tax payers may show willingness to pay tax for the government in time if they believed the tax is efficiently used for public services.
- > The tax authority faces shortage of man power in the organization to implement the tax system. For instance the number of inspectors and small businesses are not comparable. For this reason, their estimation report does not show the actual information. They estimate roughly and become careless. So, man power requirement is the most factors.

4.3 Recommendations

When any tax law or system is designed, it should be clear and easily understandable by the society. Only the system is not enough to achieve government's goal or objective. Rather, the implementation is the major factor that should be considered. Therefore, the tax authority should fulfill all the necessary facilities including manpower be to implement the system.

ERCA currently uses different types of estimation assessment method for small business tax payers for those who do not maintain books of account and for those who have no supporting documents. But these estimation assessment methods are not well implemented by the tax authority with some factors.

- > Continues training and upgrade skills should be carried out in a well and organized manner by ERCA to increase their understanding about the business income tax assessment and estimation method and ERCA better to create favorable atmosphere for awareness.
- > It is better to tax institution that have educates qualified tax assessors.
- > In order to give more information concerning the aim and purpose of taxation, rights and obligation of tax payers, the government must be all communications activity by publication and sponsoring program through television, radio must address to tax payers.
- > ERCA better to create working environment that read to bring trust between the government and tax payers.
- > The tax staff it's better to earn income according to the market situation and increase their income. Through time in order to avoid corruptions.
- > The tax payers better to get adequate time in order to fulfill their obligation.
- > The tax payers more motivated to pay tax to get urgent complain solution.

Finally if the above problems are solved, the tax authority can achieve its objective. Most budget year report show that the non-performing or the variance between the actual and the budget year is arising from the weak activity of the tax authority. So, it should take in to consideration all the above mentioned problems and can achieve its objective.

BIBLIOGRAPHY

Addis Chamber -Alliance professionals, 2004 **Tax system manual**.

Council of Ministers Income Tax Regulation, **NO. 286/1994, Proclamation No.587/2006**
Negarit Gazeta Berhanena Selam Printing Press.

Encyclopedia, "**History of taxation**".

Ethiopia Revenue & Customs Authority. Gov.et.

Gebrie Werku, (2006), **Tax Accounting in Ethiopian Context**, Addis Ababa: Alem Printing Press.

Getachew W/Mariam, Nov 2006 **Public Finance Taxation**, Addis Ababa:St Mary's University.

Mekonen Habte, April 1994, **Income tax Accounting**, with practical reference to Ethiopia, 1994.

Ministry of Finance and Economic Development, Addis Ababa 1996 **ABC of taxes in Ethiopia, (1942-1996)** Addis Ababa: Negarit Gazeta Berhanena Selam Printing Press.

Misrak Tesfaye (MSC) (2008), **Ethiopia Tax Accounting Theory and practice**.(1st Edition).

Richard D.Inc,1953 **Public Finance**.

Taddese Lencho (March 2010), **Income Tax Assignment Under The Ethiopia Constitution**, Addis Ababa, Ethiopia.

APPENDIX

ST MARRY'S UNIVERSITY

FACALITY OF BUSINESS

DEPARTMENT OF ACCOUNTING

QUETIONARY PREPARED FOR RETAILERS

This questioner has been prepared to assure the fairness of business income tax fairness on category "C" tax payers any collection practice in kirkos sub city administration. The primary objective of the questioner is to collect data and opinion for the purpose on assessing the fairness of business income tax and collection practice of the city. This data will be used confidential for educational purpose.

1. Personal Information

Male

Female

2. Educational Background

Master

Degree

Diploma

High School

Below

3. Age

25-35

36-45

_____ 6-55

At

4. What Do You Understand About Taxation?

Useful

Debt,

gation,

& Obligation

5. Do You Have Books Of Records For Your Business?

Yes

No

6. Do You Have Any Awareness About Tax Policies And Procedure?

Yes

iNo

Some Extent

7 .Do You Think that The Tax Assessment Is Fair?

No

Yes

If the answer is NO please
specify-----

8 Do You Face Any Problem of change During Tax Payment?

Yes

No

9 .Have You Ever Been Faced Tax Penalty?

Yes

No

If your answer is YES, please
specify.....

10. Do You Believe Tax Payers Who Have Similar Ability Or Income Pay Similar Tax?

Yes

No

If your answer is NO, please specify your
answer.....

11. Does The Tax Assessors Made Corruptions To Estimate The Daily Sales Of The Tax Payers?

Yes

No

If your answer is YES, please
specify.....

12. Is The Time Given For Payment Of Tax Adequate?

Yes

No

If your answer is NO, please
specify.....

13. Does the sub city provide the training on tax?

Yes

No

14. Does the sub city accept or receive customer tax complain?

Yes

No

15. How do they solve the tax complain?

Slow lately

ST MARRY'S UNIVERSITY

FACALITY OF BUSINESS

DEPARTMENT OF ACCOUNTING

Interview question for officers

- > How the sub City has competed employees. When collect tax?**
- > Does the tax assessment identify be type of business?**
- > Does the tax assessment system standard?**
- > Does the office give awareness about the tax rules and regulation to tax payers?**
- > Do you believe all tax payers paid their tax is without evasion?**
- > Did you believe the tax levied to category "C" tax payer is fair?**
- > Do you believe that the tax collection from each tax payers fulfilled as expected?**
- > Do you believe the tax assessors in sub city revenue department are sufficient to estimate daily sales?**
- > Does the tax assessors efficiency its see the tax liability?**

Statement of Declaration

This is a senior paper prepared in partial fulfillment of the requirements of B.A Degree in Accounting and declares that this Work is genuinely mine

Merima Nassir

Shemsiya Nassir

Ygeremu Negash

Date

Declaration

This paper has submitted for examination with my approval us the university adviser

Name



This work is licensed under a
Creative Commons
Attribution - Noncommercial - NoDerivs 4.0 License.

To view a copy of the license please see:
<http://creativecommons.org/licenses/by-nc-nd/4.0/>

This is a download from the BLDS Digital Library on OpenDocs
<http://opendocs.ids.ac.uk/opendocs/>